

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01
DOE-15 /124 R

DRAFTED BY EB/OT:SAHMAD

APPROVED BY EB:JKATZ

STR:TSTEWART (SUBS)

-----027294 051829Z /45

R 051543Z MAY 78
FM SECSTATE WASHDC
TO USMISSION GENEVA
AMEMBASSY BRASILIA

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E.O. 11652: N/A

TAGS:ETRD

SUBJECT: BRAZILIAN EMBASSY REQUEST THAT US NOT PRESS BRAZIL
FOR FULL BOP REVIEW

1. BRAZILIAN MINISTER COUNSELOR ALVERO DA COSTA-FRANCO
CALLED ON ASSISTANT SECRETARY OF STATE KATZ MAY 4 ON INSTRUCTIONS
FROM HIS GOVERNMENT TO REQUEST THAT THE US NOT PRESS
FOR A FULL BALANCE OF PAYMENTS REVIEW IN GATT. HE STATED
THAT BRAZIL WAS SCHEDULED TO BE REVIEWED BY THE BOP COMMITTEE
THE END OF THE MONTH AND HIS GOVERNMENT HAD PREPARED
A QUITE COMPRHENSIVE DOCUMENT FOR THAT PURPOSE. IT IS IN
GENEVA READY FOR TRANSLATION AND CIRCULATION SHORTLY. HE
STATED THAT BRAZIL WOULD MUCH PREFER TO HAVE THE SHORT
PROCEDURE BE SUFFICIENT.

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2. ASSISTANT SECRETARY KATZ RESPONDED THAT WE HOPED BRAZIL
WOULD AGREE TO THE LONGER PROCEDURE AND THAT WE BELIEVED
BRAZIL MIGHT FIND IT TO ITS OWN ADVANTAGE TO DO SO. GATT
REVIEWS CAN BE USEFUL BOTH AS AN OPPORTUNITY TO DEMONSTRATE
TO OTHER COUNTRIES THAT THE POLICIES OF OTHERS AFFECT THE
CONSULTING COUNTRY AND FOR INTERNAL DELIBERATIONS IN THE

CONSULTING COUNTRY ABOUT ONE'S OWN POLICIES.

3. FRANCO RESPONDED THAT BRAZIL HAD UNDERGONE A FULL CONSULTATION THE LAST TIME IT CAME UP FOR REVIEW DESPITE STRONG FEELINGS IN BRAZILIA THAT THIS WAS UNFAIR IN LIGHT OF DEVELOPED COUNTRIES ESCAPING SUCH REVIEW. (HE REFERRED TO THE ITALIAN MEASURES AT THE TIME). HE ALSO NOTES THAT THE DIFFICULTY IS IN A SHORTAGE OF QUALIFIED MANPOWER TO DO THE ANALYSIS NECESSARY AND SEND ENGLISH SPEAKING OFFICIALS TO GENEVA FOR THE REVIEW. HE ACKNOWLEDGED THAT BRAZIL IS MUCH BETTER EQUIPPED IN THIS REGARD THAN OTHER LESS DEVELOPED COUNTRIES AND THAN IT WAS ITSELF 15-20 YEARS AGO, BUT ASKED THAT THE UNITED STATES UNDERSTAND THAT THIS WAS THE PROBLEM. KATZ REITERATED HIS HOPE THAT BRAZIL WOULD FIND IT IN ITS INTEREST TO UNDERGO THE FULL REVIEW BUT INDICATED THAT WE DID NOT WANT A MAJOR CONFRONTATION OVER THIS ISSUE.

4. MR. KATZ ALSO RAISED THE PROBLEM OF PROTRACTED ARTICLE XXVIII NEGOTIATIONS WITH BRAZIL AND THE FACT THAT OUR EMBASSY HAD BEEN INSTRUCTED TO INFORM THE GOP ABOUT INCREASING PRESSURE IN THE US TO TAKE SOME ACTION (STATE 113212). FRANCO WAS UNFAMILIAR WITH THE CURRENT STATUS OF THE MATTER, SAID HE WOULD REPORT THE COMMENT, AND PRESUMED THAT THE WOLFF/BARRACLOUGH TEAM WOULD MAKE KNOWN OUR CONCERNs DURING THE VISIT TO BRAZILIA NEXT WEEK. CHRISTOPHER

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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Review Action: RELEASED, APPROVED
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Review Release Date: N/A
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